

CONTRACT FOR EXTENSION OF ELECTRIC DISTRIBUTION LINE
RULE NO. 15

1. PARTIES

This contract for Extension of Electric Distribution Line ("Contract") is issued this 14 day of Jan, 2003.

The Parties to the Contract are:

County of San Bernardino
("Applicant")

and Southern California Edison Company ("Edison"). Applicant and Edison are referred to individually as "party" and collectively as "Parties".

2. RECITALS

Applicant has requested Edison, pursuant to Edison's Rule No. 15, Distribution Line Extensions, to install an electric distribution line extension ("Line Extension") to the location or locations described as follows:

18600 Stoddard Wells Road
Victorville, CA

(Hereinafter referred to as "Project")

3. AGREEMENT

3.1 Responsibilities of Applicant

Construction

Applicant shall, in accordance with Edison's specifications and timing requirements for the Project:

- Perform route clearing, tree trimming, trenching, excavating, and backfilling and compacting;
- Furnish imported backfill material and dispose of trench spoil as required;
- Furnish, install and transfer ownership to Edison any substructures, conduit, and protective structures required other than the conduit portion of cable-in-conduit;
- Obtain any necessary construction permits for all work performed by Applicant under this Contract.

If Applicant elects to have Edison perform any part of this work, Applicant shall pay to Edison, as specified herein and before the start of construction, Edison's estimated-installed cost thereof.

Rights of Way

Applicant hereby grants to Edison the rights of way and easements for the Line extension over the shortest, most practical, available, and acceptable route within Applicant's property for the purpose of making delivery of electric service hereunder. Such easement shall include the right of access and right to trim trees as necessary. Where formal rights of way, easements, land leases, or permits are required by Edison for installation of facilities on or over Applicant's property, or the property of others, Applicant understands and agrees that Edison shall not be obligated to install the Line extension for the Project unless and until any necessary permanent rights of way, easements, land leases, and permits, satisfactory to Edison, are granted to or obtained for Edison without cost to or condemnation by Edison.

Advances

Applicant shall contribute or advance, before the start of construction, the refundable and non-refundable amounts as set forth in Appendix A to this Contract. This includes the costs for substructures and conduits, which Edison had previously installed at its expense in anticipation of the current Line Extension. Any necessary riser conduit, conduit covering, and miscellaneous riser material required for the Line Extension shall be furnished or paid for by Applicant and shall be installed by Edison.

All contributions and advances by Applicant are taxable and shall include an Income Tax Component of Contribution (ITCC) at the rate provided in Edison's Preliminary Statement. ITCC will be either refundable or non-refundable depending on whether the corresponding contribution or advance is refundable or non-refundable.

Joint Applicants, The total contribution or advance from joint Applicants will be apportioned by Edison among the members of the group in such manner as Applicants mutually agree.

3.2 Responsibilities of Edison

Construction

Edison shall install, own, operate, and maintain the Line Extension to serve the Project. Edison will install only those facilities that, in Edison's judgment, will be used within a reasonable time to serve permanent loads.

Refunds

Edison shall make refunds to Applicant in accordance with the provisions of Rule No. 15.

3.3 Ownership of Facilities

Title to and ownership of the Line Extension shall vest in Edison. Applicant does hereby agree that upon completion and acceptance by Edison of any Applicant-installed facilities, title to each and every component part thereof shall immediately pass to Edison free and clear of all liens and encumbrances.

3.4 Service Facilities

Service extensions shall be installed pursuant to Edison's Rule No. 16, Service Extensions.

3.5 Street Lighting Facilities

Street lighting and Line Extensions within the Project solely for service to street lighting equipment shall be installed in accordance with the appropriate street light tariff schedule. Street light revenues are not applicable toward allowances or refunds for Line Extensions. Electroliers shall be located at points determined by the governmental agency having jurisdiction over streets to be dedicated to that agency or by Applicant for privately owned and maintained streets open to and used by the general public.

3.6 Non-Refundable Discount Option

In lieu of contributing the total refundable amount, Applicant has the option of contributing, on a non-refundable basis, a percentage of such refundable amount as set forth in Appendix A to this Contract. Applicant has or has not chosen this option as indicated by signature on Appendix A.

3.7 Refunds

The total refundable amount shall be subject to refund, without interest, in accordance with the provisions of Rule No. 15, which include the following:

Residential. Refunds will be made on the basis of any new customer permanent load connected to the Line Extension, which produces additional revenues to Edison. The refund will be deducted from the total refundable amount, and the remaining amount subject to refund will represent that portion of the Line Extension cost not supported by revenues.

Non-Residential. Refunds will be made on the basis of Applicant or any new customer permanent load connected to the Line Extension, which produces additional revenues to Edison. Edison shall be responsible to review Applicant's actual net revenue for the first three years from the date Edison is first read to serve. Applicant shall be responsible for notifying Edison if new, permanent load is added the fourth through tenth year from the date Edison is first read to serve. Such review shall determine if additional net revenue justifies refunds to Applicant.

Unsupported Extension Cost. When any portion of a refundable amount has not qualified for a refund at the end of twelve (12) months from the date Edison is first ready to serve, Applicant will pay to Edison an ownership charge on the remaining refundable balance. The difference between the total refundable advance and any refunds made or eligible to be made to Applicant shall serve as the basis of a monthly ownership charge ("base"). Monthly ownership charges are calculated by multiplying the base times the Customer-financed added facilities percentage in Rule No. 2. Monthly ownership charges are distinct from the refundable amount and will normally be accumulated and deducted from refunds due to Applicant. This provision does not apply to individual residential Applicants.

The monthly ownership charges herein shall automatically increase or decrease if the California Public Utilities Commission should subsequently authorize a higher or lower percentage rate for the monthly ownership charges, effective on the date of such authorization.

Refund Period. The total refundable amount is subject to refund for a period of ten (10) years after the Line Extension is first ready to serve. Any unrefunded amount remaining at the end of the ten-year period shall become property of Edison.

3.8 Payment Adjustments

Contract Compliance. If, after six (6) months following the date Utility is first read to serve residential loads for which allowances were granted, one (1) year for non-residential loads, Applicant fails to take service, or fails to use the service contracted for, Applicant shall pay to Edison an additional contribution, based on the allowances for the loads actually installed.

Excess Facilities. If the load information provided by Applicant results in Edison's having installed facilities which are in excess of those needed to serve the actual loads, and Edison elects to reduce such excess facilities, Applicant shall pay to Edison its estimated total costs to remove, abandon, or replace the excess facilities, less the estimated salvage of any removed facilities.

3.9 Reimbursement to Applicant

Where mutually agreed upon by Edison and Applicant, Applicant, may perform Edison's work or install facilities normally installed by Edison. Such work shall be in accordance with Edison's specifications and timing requirements. Edison shall reimburse Applicant Edison's estimated installed cost of such facilities and work by applying a credit toward Applicant's advance. Any amount not so credited shall be reimbursed to Applicant upon acceptance of the work and facilities by Edison.

3.10 Delays in Construction

Force Majeure. Edison shall not be responsible for any delay in the installation or completion of the facilities by Edison resulting from the late performance of Applicant's responsibilities under this Contract, shortage of labor or material, strike, labor disturbance, war, riot, weather conditions, governmental rule, regulation or order, including orders or judgments of any court or commission, delay in obtaining necessary land rights, act of God, or any other cause or condition beyond the control of Edison.

Resources. Edison shall have the right, in the event it is unable to obtain sufficient supplies, materials, or labor for all of its construction requirements, to allocate materials and labor to construction projects, which it deems, in its sole discretion, most important to serve the needs of its customers. Any delay in construction hereunder resulting from such allocation shall be deemed to be cause beyond Edison's control.

Contract Revision. If Applicant does not commence installation of any facilities which are Applicant's responsibility or Edison is prevented from commencing the installation of the facilities for causes beyond its reasonable control within one year from the effective date of the Contract, Edison may, in its discretion, revise its cost estimate and recalculate the refundable and/or non-refundable amounts set forth herein. Edison will notify Applicant of such increased costs and give the option to either terminate this Contract or pay Edison the additional charges.

3.11 Contract Termination

If at any time during the term of this Contract, Edison is not the sole supplier of electrical requirements for the Project, this Contract may be terminated. Upon termination of the Contract, Applicant agrees to forfeit that portion of the advance paid to Edison for its expenses covering any engineering, surveying, right of way acquisition and other associated work incurred by Edison. If such expenses are greater or less than the refundable and/or non-refundable advance, Applicant shall pay to Edison, or Edison shall refund the balance to Applicant, without interest, as the case may be.

3.12 Indemnification

Applicant shall, at its own cost, defend, indemnify, and hold harmless Edison, its officers, agents, employees, assigns, and successors in interest from and against any and all liability, damages, losses, claims, demands, actions, causes of action, costs including attorney's fees and expenses, or any of them, resulting from the death or injury to any person or damages to any property caused by Applicant or its contractor and employees, officers or agents of either Applicant or its contractor, or any of them, and arising out of the performance or nonperformance of their obligations under this Contract.

3.13 Assignment of Contract

Applicant may assign this Contract, in whole or in part, only if Edison consents in writing and the party to whom the Contract is assigned agrees in writing, to perform the obligations of Applicant hereunder. Assignment of the Contract shall not release Applicant from any of the obligations under this Contract unless otherwise provided therein.

3.14 Joint and Several Liability

Where two or more individuals or entities are joint Applicants under this Contract, all Applicants shall be jointly and severally liable to comply with all terms and conditions herein.

3.15 Warranty

Applicant warrants that all work and/or equipment furnished or installed by Applicant or its contractor shall be free of defects in workmanship and material. The warranty period shall begin from the date of final acceptance by Edison and extend for one (1) year. Should the work develop defects during that period, Edison, at its election, shall either (a) repair or replace the defective work and/or equipment, or (b) demand that Applicant repair or replace the defective work and/or equipment and, in either event, Applicant shall be liable for all costs associated with such repair and/or replacement. Applicant upon demand by Edison, shall promptly correct, to Edison's satisfaction and that of any governmental agency having jurisdiction, any breach of any warranty.

3.16 Contract Effective Date

This Contract shall not be effective unless it is (1) executed and delivered by Applicant to Edison together with payment required hereunder within ninety (90) days of the date in Paragraph 1 of this Contract and (2) accepted by Edison. This Contract shall then be effective on the date executed by Edison and shall take effect without further notice to Applicant.

3.17 Commission Jurisdiction

This Contract is subject to the applicable provisions of Edison's tariffs, including Rule No. 15, filed and authorized by the California Public Utilities Commission.

This Contract shall, at all times, be subject to such changes or modifications by the Public Utilities Commission of the State of California, as said Commission may, from time to time, direct in the exercise of its jurisdiction.

3.18 Completion Date

The completion date requested by Applicant is _____

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4. **SIGNATURE CLAUSE**

The signatories hereto represent that they have been appropriately authorized to enter into this Contract on behalf of the party for whom they sign.

COUNTY OF SAN BERNARDINO

SOUTHERN CALIFORNIA EDISON:

Dennis Hansberger, Chairman,
Board of Supervisors

By: _____
Manager

Dated: _____

Title: _____

Dated: _____

SIGNED AND CERTIFIED THAT A COPY
OF THIS DOCUMENT HAS BEEN DELIVERED
TO THE CHAIRMAN OF THE BOARD

By: _____

Title: _____

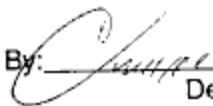
J. RENEE BASTIAN, Clerk of the Board
of Supervisors

Dated: _____

By: _____
Deputy

Date: _____

Approved as to Legal Form:
ALAN K. MARKS, County Counsel

By:  _____
Deputy

Dated: 5-13-03